



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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May 17, 1994

TO: Wayne Hedberg, Permit Supervisor *DWH*
FROM: Lynn Kunzler, Reclamation Specialist *LK*
RE: Status Review of the Clawson #1-2-3 Mines, U.S. Ferto Corporation, DOE/039/005,
Sanpete County, Utah. *6*

I have received the Forest Service's file on the referenced mine operation and have located our DOE file. Other than a couple of the documents referred to in the attached chronology, we already had copies.

After reviewing the files, it appears that U.S. Ferto Corporation operated the Clawson #1-2-3 mine under a permit and bond with the US Forest Service. DOGM had granted DOE status. There is some conflict in the documentation as to the total acreage (somewhere between 5 and 10 acres in the early 1980's). The operator was notified about 3 months prior to receiving patent on portions of the #1 and #2 claims (active mining area) that the operation was not in compliance and that the bond had expired and needed to be replaced (no record of replacement and possibly due to FS no longer having jurisdiction after issuance of patent). When DOGM notified all DOE operators in 1989 of the change in Utah law requiring all operations to be permitted as a SMO or LMO, the notice was sent to Mr. James Gillespie (an adjacent land owner who has made life difficult for the mine operator). Apparently, U.S. Ferto Corp. never received the notice.

In conclusion, it appears that we have a mining operation (possible LMO) operating without a valid permit or bond for reclamation. To remedy this situation, I recommend a site inspection be conducted with a U.S. Ferto Corporation representative at the earliest time possible. Also, that a copy of the mineral rules and law, along with forms for both a SMO and LMO be sent immediately to U.S. Ferto Corporation (or hand delivered at the site inspection).



FILE HISTORY OF SELECTED CORRESPONDENCE
pursuant to permitting of US Ferto Corp. Clawson #1-2-3 Mine
(DOE/039/005) SanPete County, Utah

01/10/72 Lab report indicates material was "good quality lignite"...USGS in 1977 determined mineral not to be coal (referenced in other documents) *** Memo to Manti-LaSal National Forest from the USGS dated Aug. 30, 1977 states, "The strata being mined belong to the Cretaceous-Tertiary North Horn Formation. The sequence consists of 15-25 feet of carbonaceous shale and mudstone, bone, dirty coal, and calcareous sandstone. A single seam of fairly clean coal was noted in the face of the present operation. However, this seam is less than 8" thick and pinches out within a few feet...It is the conclusion of this office that the subject mining claims do not contain leasable coal..."

03/15/78 DOGM received MR-2 Form.

03/28/78 Memo to File indicated "USGS has determined ore is not lignite" (no USGS documentation in file).

03/30/78 DOGM acknowledged receipt of MRP - review will not proceed because 1.- Surface is FS, and 2.- No MR-1 form submitted.

04/20/78 DOGM received MR-1 form.

09/26/78 Letter from FS indicates FS has not approved US Ferto Plan.

09/01/80 FS sent DOGM copy of US Ferto Corp's Plan of Operations and the EA. (EA completed in 3/80 - Page 9 indicates about 10 acres disturbed by mining operations.

06/18/83 DOGM notified US Ferto Corp. of need to obtain State permit, UMLRA and MR-1 form sent - required submittal by July 29/83.

09/16/83 Site Inspection by DOGM - verified qualification for DOE status. Operation permitted and bonded by FS.

09/26/83 Official DOE status granted.

11/02/83 DOGM determined operation met DOE requirements (less than 500 TPY or less than 2 Ac. /yr. disturbed. Operation wholly under FS Regulation.

01/20/89 FS notifies operator that the mining method is not in compliance with the plan, that the reclamation bond (irrevocable letter of credit) has expired and needs to be replaced. (No response to this letter in FS files).

04/12/89 US Ferto notified of mine law change requiring permits for all operations. *** Letter sent to Mr. James Gillespie in Boise, Idaho. After Reviewing the FS File, it appears that Mr. Gillespie's interest in US Ferto Corp. is as an adjacent land owner, not as a representative of the company. It appears that US Ferto may not have ever been notified of the change in the law.

05/08/89 *** US Ferto Corp (Mr. Gillespie) requests copy of rules and forms for Exploration and SMO as per 4/12 letter.

05/09/89 Rules and requested forms sent to Mr. Gillespie.

05/19/89 Patent granted to US Ferto Corp. for portions of Clawson #1 and #2 claims.

04/18/94 USFS notified DOGM of claim patent.. letter precipitated by private landowner inquiry to FS regarding mine thought to be on FS property. Inquiry was regarding complaint of excess sediment in Dry Creek believed to be related to mining activity.